

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1750-01  
Bill No.: SB 408  
Subject: Elderly; Disabilities; Pharmacy; Department of Social Services  
Type: Original  
Date: March 23, 2011

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Bill Summary: This legislation extends the MO Rx prescription drug plan until August 28, 2014.

This legislation will sunset on August 28, 2014.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Missouri Rx Plan Fund	(\$19,602,166)	(\$19,602,166)	(\$19,602,166)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$19,602,166)</b>	<b>(\$19,602,166)</b>	<b>(\$19,602,166)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section 208.798:**

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** assumes there would be no fiscal impact should the sunset be extended to August 28, 2014.

DMH has approximately 42,779 consumers in the Divisions of Comprehensive Psychiatric Services (CPS) and Developmental Disabilities (DD) that are dual-eligibles. DMH assumes should the Missouri RX program sunset August 28, 2011, these 42,779 DMH consumers or the DMH would have to pay for the co-pays for prescription drugs that Missouri RX currently pays. According to DSS data, a dual-eligible uses approximately 7 prescriptions per month (per Table 23 of the FSD/MHD Monthly Management Report). The co-pays that Missouri RX currently pays are \$1.25, \$2.50, or \$3.15. Therefore, DMH assumes that if this sunset is not extended, the cost to DMH consumers or DMH would be greater than \$4,491,795 (7 prescriptions x 12 months x 42,779 consumers x \$1.25).

Officials from the **Department of Social Services** assume the legislation will not have a fiscal impact to the Department since the legislation is simply extending the program.

**Oversight** states the Missouri Rx Plan has been appropriated \$19,602,166 annually from FY 2007 through FY 2010. This appropriated amount does not reflect sources of other income, such as interest income and rebate income. Oversight assumes any shortage in the appropriated amount in the Missouri Rx Plan Fund would be recovered from the appropriated \$1(E) Healthy Families Trust Fund. Therefore, Oversight assumes a fiscal impact of \$19,602,166.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**MISSOURI RX PLAN FUND**

<u>Costs - Department Social Services</u>			
Program Costs	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>

<b>ESTIMATED NET EFFECT ON MISSOURI RX PLAN FUND</b>	<b><u>(\$19,602,166)</u></b>	<b><u>(\$19,602,166)</u></b>	<b><u>(\$19,602,166)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

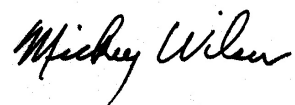
FISCAL DESCRIPTION

**Section 208.798:** The proposed legislation extends the sunset date for the Missouri RX prescription drug program from August 28, 2011 to August 28, 2014.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health  
Department of Health and Senior Services  
Department of Social Services



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